# GOVERNMENT OF INDIA
# PETROLEUM AND NATURAL GAS
# LOK SABHA

STARRED QUESTION NO:428
ANSWERED ON:19.12.2002
ROYALTY ON CRUDE OIL
BHAVNA DEVRAJ CHIKHALIA;SAVSHIBHAI MAKWANA

**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

(a) whether recommendations of the committee set up by the Government to devise a new scheme of royalty on crude oil has since been examined;

(b) if so, the decision taken on those recommendations;

(c) the time by which the decision about revision of royalty on crude oil is likely to be implemented;

(d) whether the Union Government have not finalised the crude oil royalty rates for the period 1993 to 1998; and

(e) if so, the reasons therefor ?

## Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI RAM NAIK)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 42 SHRIMATI BHAVNA CHIKHALIA AND SHRI SAVSHIBHAI MAKWANA TO BE ANSWERED ON 19TH DECEMBER, 20 REGARDING ROYALTY ON CRUDE OIL

(a) to (c): The Government had constituted a Committee to devise a new scheme of royalty on indigenous crude oil with effect from 1.4.1998. The Committee has submitted its Report which is under consideration of the Government.Royalty payable on crude oil has, however, been revised on ad hoc basis on three occasions since October, 1999 increasing the rate from Rs. 578 per Metric Tonne to Rs. 850 per Metric Tonne, pending finalisation of the rates.

(d) & (e): The methodology approved by the Government for fixation of royalty rate payable on indigenous crude oil for the period 1993-98 was based on the cost of production of Oil & Natural Gas Corporation Limited (ONGC) and Oil India Limited (OIL) dul audited by the Comptroller & Auditor General (C&AG).Based on the audited cost of production of ONGC and OIL, royalty rate for the period 1993-96 has already been finalised. Royalty rates for the period 1996-98 would be finalised after settlement of the audit observations with C&AG.